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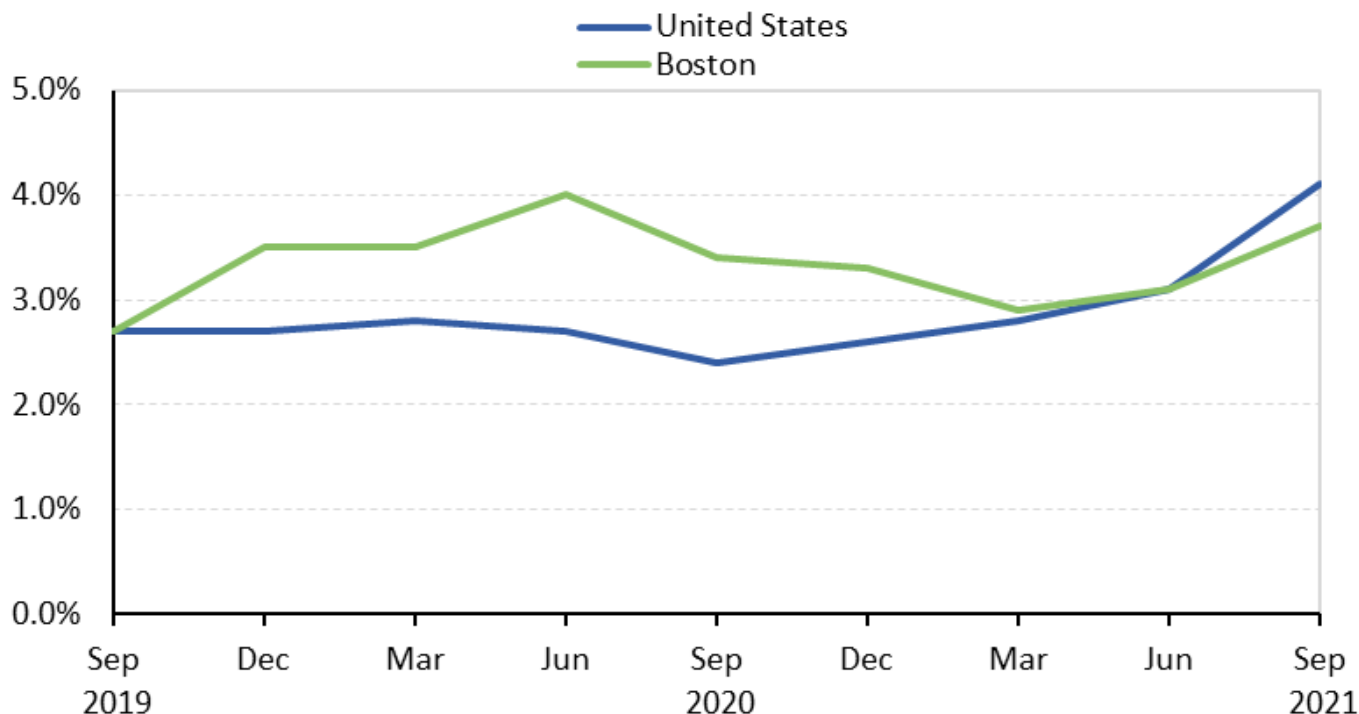
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Changing Compensation Costs in the Boston Metropolitan Area — September 2021

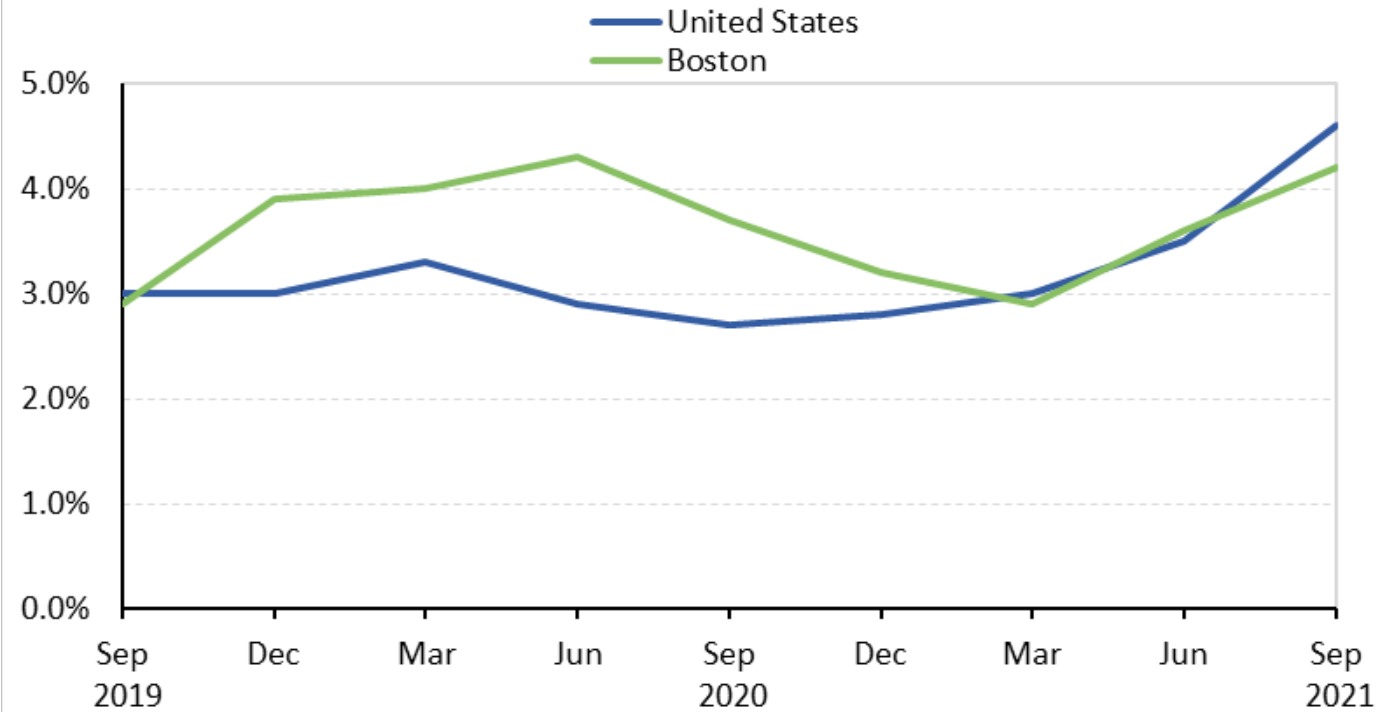
Compensation costs for private industry workers increased 3.7 percent in the Boston-Worcester-Providence, MA-RI-NH-CT Combined Statistical Area (CSA) for the year ended September 2021, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner William J. Sibley noted that one year ago, Boston experienced an annual gain of 3.4 percent in **compensation costs**. (See [chart 1](#) and [table 1](#).) Locally, **wages and salaries**, the largest component of compensation costs, advanced at a 4.2-percent pace for the 12-month period ended September 2021. (See [chart 2](#).) Nationwide, **compensation costs** rose 4.1 percent and **wages and salaries** rose 4.6 percent over the same period.

Chart 1. Twelve-month percent changes in total compensation for private industry workers in the United States and Boston, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

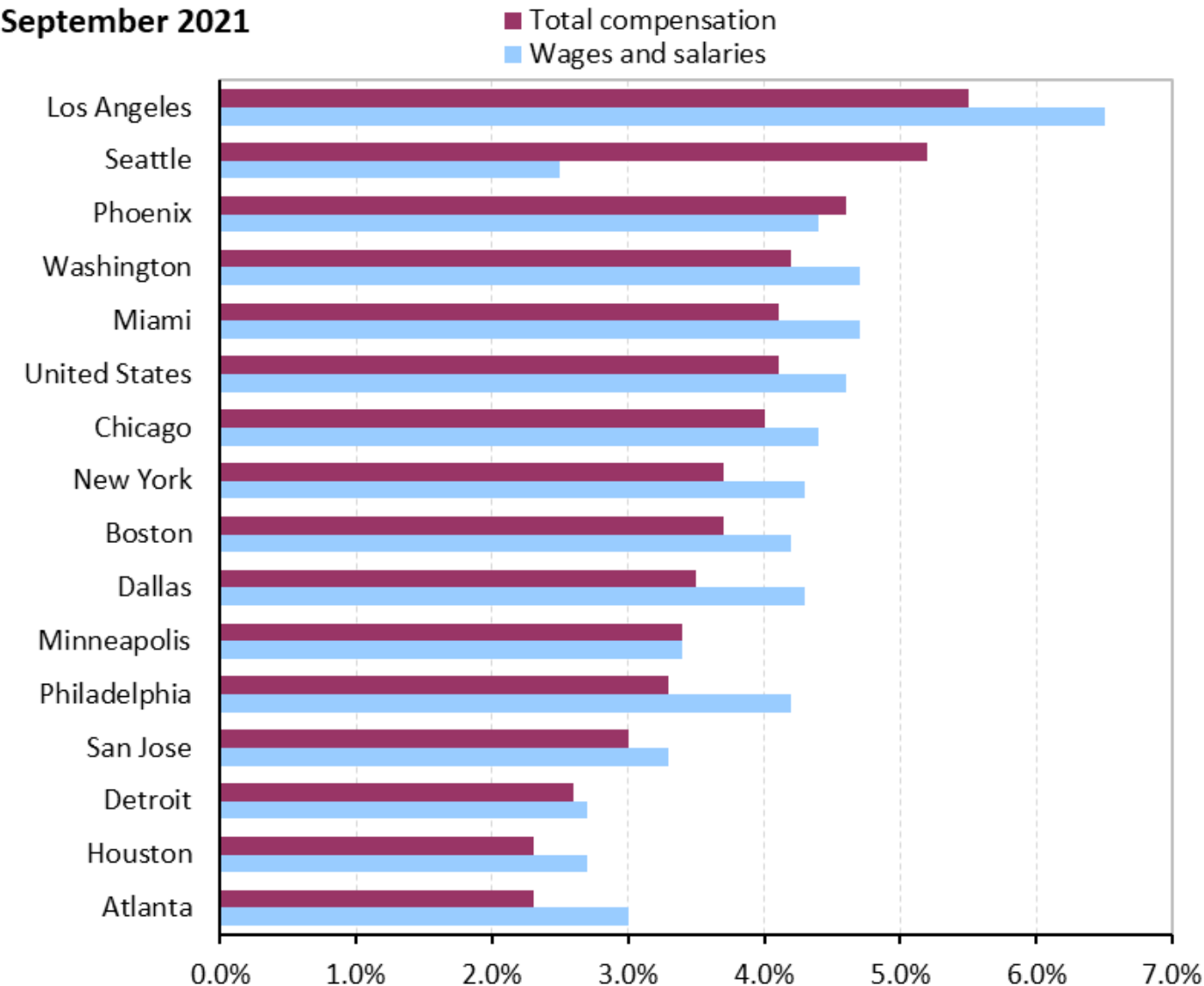
Chart 2. Twelve-month percent changes in wages and salaries for private industry workers in the United States and Boston, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Boston is 1 of 15 metropolitan areas in the United States and 1 of 3 areas in the Northeast region of the country for which locality compensation cost data are available. Among these 15 largest areas, over-the-year percentage changes in the **compensation costs** ranged from 5.5 percent in Los Angeles-Long Beach to 2.3 percent in Atlanta-Athens-Clarke County-Sandy Springs and Houston-The Woodlands in September 2021; for **wages and salaries**, Los Angeles-Long Beach registered the largest increase (6.5 percent) and Seattle-Tacoma registered the smallest (2.5 percent). (See [chart 3](#).)

Chart 3. Twelve-month percent changes in total compensation and wages and salaries for private industry workers by area, not seasonally adjusted, September 2021



Source: U.S. Bureau of Labor Statistics.

The annual increase in **compensation costs** in Boston was 3.7 percent in September 2021, compared to advances of 3.3 and 3.7 percent in Philadelphia-Reading-Camden and New York-Newark, respectively. Boston’s 4.2-percent gain in wages and salaries over this 12-month period compared to the rate of 4.2 percent in Philadelphia and 4.3 percent in New York. (See [table 2](#).)

Locality compensation costs are part of the national Employment Cost Index (ECI), which measures quarterly changes in compensation costs, which include wages, salaries and employer costs for employee benefits. In addition to the 15 locality estimates provided in this release, ECI data for the nation, 4 geographical regions, and 9 geographical divisions are available. (Geographical definitions for the metropolitan areas mentioned in this release are included in the [Technical Note](#).)

In addition to the data presented here, national data by industry, occupational group, and union status, as well as data for civilian, private, [WCB1] and state and local government employees, are available at www.bls.gov/ncs/ect/home.htm. The national news release summary is available at www.bls.gov/news.release/eci.toc.htm. Additional information for regions, states, and local areas may be accessed via our regional homepage at www.bls.gov/regions/new-england/.

The Employment Cost Index for December 2021 is scheduled to be released on January 28, 2022, at 8:30 a.m. (ET).

Coronavirus (COVID-19) Pandemic Impact on the September 2021 Employment Cost Index

Response rates for September were comparable with prior releases, and no changes in estimation procedures were necessary. Additional information is available at www.bls.gov/bls/effects-of-covid-19-on-workplace-injuries-and-illnesses-compensation-and-occupational-requirements.htm

Technical Note

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. For information on survey concepts, coverage, methods, nonresponse adjustment, and imputation see National Compensation Measures Handbook of Methods at www.bls.gov/opub/hom/ncs/home.htm.

Wages and salaries are defined as straight-time average hourly earnings or, for workers not paid on an hourly basis, straight-time earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses (such as Christmas or year-end bonuses) are excluded.

Selection of areas

Based on available resources and the existing ECI sample, it was determined that estimates would be published for 14 metropolitan areas. Since the ECI sample sizes by area are directly related to area employment, the areas with the largest private industry employment as of the year 2000 were selected. For each of these areas, 12-month percent changes and associated standard errors were computed for the periods since December 2006. (Note: The Seattle-Tacoma-Olympia area was added to the list in September 2009 to make a total of 15 metropolitan areas.)

The metropolitan area definitions of the 15 published localities are listed below.

Atlanta-Athens-Clarke County-Sandy Springs, GA Combined Statistical Area (CSA) includes Barrow, Bartow, Butts, Carroll, Cherokee, Clarke, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gordon, Gwinnett, Hall, Haralson, Heard, Henry, Jackson, Jasper, Lamar, Madison, Meriwether, Morgan, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Rockdale, Spalding, Troup, Upson, and Walton Counties in Georgia.

Boston-Worcester-Providence, MA-RI-NH-CT CSA includes Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties in Massachusetts; Bristol, Kent, Newport, Providence, and Washington in Rhode Island; Belknap, Hillsborough, Merrimack, Rockingham, and Strafford Counties in New Hampshire, and Windham County in Connecticut.

Chicago-Naperville, IL-IN-WI CSA includes Bureau, Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, La Salle, McHenry, Putnam and Will Counties in Illinois; Jasper, Lake, LaPorte, Newton, and Porter Counties in Indiana; and Kenosha County in Wisconsin.

Dallas-Fort Worth, TX-OK CSA includes Collin, Cooke, Dallas, Denton, Ellis, Grayson, Henderson, Hood, Hopkins, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise Counties in Texas and Bryan County in Oklahoma.

Detroit-Warren-Ann Arbor, MI CSA includes Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.

Houston-The Woodlands, TX CSA includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Trinity, Walker, Waller, Washington and Wharton Counties in Texas.

Los Angeles-Long Beach, CA CSA includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in California.

Miami-Fort Lauderdale-Port St. Lucie, FL CSA includes Broward, Indian River, Martin, Miami-Dade, Okeechobee, Palm Beach and St. Lucie Counties in Florida.

Minneapolis-St. Paul, MN-WI CSA includes Anoka, Benton, Carver, Chisago, Dakota, Goodhue, Hennepin, Isanti, Le Sueur, McLeod, Mille Lacs, Ramsey, Rice, Scott, Sherburne, Sibley, Stearns, Washington, and Wright Counties in Minnesota; and Pierce and St. Croix Counties in Wisconsin.

New York-Newark, NY-NJ-CT-PA CSA includes Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Ulster, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren Counties in New Jersey; Fairfield, Litchfield, and New Haven Counties in Connecticut; and Carbon, Lehigh, Monroe, Northampton, and Pike Counties in Pennsylvania.

Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA includes Berks, Bucks, Chester, Delaware, , Montgomery, and Philadelphia Counties in Pennsylvania; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties in New Jersey; Kent and New Castle Counties in Delaware; and Cecil County in Maryland.

Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area (MSA) includes Maricopa and Pinal Counties in Arizona.

San Jose-San Francisco-Oakland, CA CSA includes Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma Counties in California.

Seattle-Tacoma, WA CSA includes Island, King, Kitsap, Lewis, Mason, Pierce, Skagit, Snohomish, and Thurston Counties in Washington.

Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA includes the District of Columbia; Baltimore City and Anne Arundel, Baltimore, Calvert, Carroll, Charles, Dorchester, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, St. Mary's, Talbot, and Washington Counties in Maryland; Franklin County in Pennsylvania; Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park, and Winchester Cities and Arlington, Clarke, Culpeper, Fairfax, Fauquier, Frederick, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren Counties in Virginia; and Berkeley, Hampshire, and Jefferson Counties in West Virginia.

Definitions of the four geographic regions of the country are noted below.

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

South: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Information in this release will be made available to individuals with sensory impairments upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, Northeast Census region, and the Boston area, not seasonally adjusted

| Area | Total compensation | | | | Wages and salaries | | | |
|------------------------------------|--|------|------|------|--|------|------|------|
| | 12-month percent changes for period ended- | | | | 12-month percent changes for period ended- | | | |
| | Mar. | Jun. | Sep. | Dec. | Mar. | Jun. | Sep. | Dec. |
| United States | | | | | | | | |
| 2017 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.4 | 2.6 | 2.8 |
| 2018 | 2.8 | 2.9 | 2.9 | 3.0 | 2.9 | 2.9 | 3.1 | 3.1 |
| 2019 | 2.8 | 2.6 | 2.7 | 2.7 | 3.0 | 3.0 | 3.0 | 3.0 |
| 2020 | 2.8 | 2.7 | 2.4 | 2.6 | 3.3 | 2.9 | 2.7 | 2.8 |
| 2021 | 2.8 | 3.1 | 4.1 | | 3.0 | 3.5 | 4.6 | |
| Northeast | | | | | | | | |
| 2017 | 2.3 | 2.7 | 2.8 | 2.6 | 2.2 | 2.8 | 3.0 | 2.7 |
| 2018 | 2.7 | 2.7 | 3.1 | 3.4 | 2.9 | 2.4 | 2.9 | 3.3 |
| 2019 | 3.3 | 3.2 | 3.0 | 3.1 | 3.1 | 3.7 | 3.3 | 3.5 |
| 2020 | 2.6 | 2.6 | 2.2 | 2.3 | 3.1 | 2.8 | 2.4 | 2.4 |
| 2021 | 3.1 | 2.7 | 3.7 | | 3.4 | 3.2 | 4.5 | |
| Boston-Worcester-Providence | | | | | | | | |
| 2017 | 2.6 | 2.7 | 3.0 | 2.4 | 3.0 | 2.9 | 2.8 | 2.2 |
| 2018 | 2.0 | 1.7 | 2.4 | 2.3 | 1.7 | 1.1 | 2.0 | 2.0 |
| 2019 | 2.5 | 2.7 | 2.7 | 3.5 | 2.4 | 3.0 | 2.9 | 3.9 |
| 2020 | 3.5 | 4.0 | 3.4 | 3.3 | 4.0 | 4.3 | 3.7 | 3.2 |
| 2021 | 2.9 | 3.1 | 3.7 | | 2.9 | 3.6 | 4.2 | |

Table 2. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States, Census regions, and localities, not seasonally adjusted

| Area | Total compensation | | | Wages and salaries | | |
|--|--|-----------|-----------|--|-----------|-----------|
| | 12-month percent changes for period ended- | | | 12-month percent changes for period ended- | | |
| | Sep. 2020 | Jun. 2021 | Sep. 2021 | Sep. 2020 | Jun. 2021 | Sep. 2021 |
| United States | 2.4 | 3.1 | 4.1 | 2.7 | 3.5 | 4.6 |
| Northeast | 2.2 | 2.7 | 3.7 | 2.4 | 3.2 | 4.5 |
| Boston-Worcester-Providence | 3.4 | 3.1 | 3.7 | 3.7 | 3.6 | 4.2 |
| New York-Newark | 1.9 | 2.3 | 3.7 | 1.9 | 2.3 | 4.3 |
| Philadelphia-Reading-Camden | 2.5 | 2.8 | 3.3 | 2.8 | 3.8 | 4.2 |
| South | 2.3 | 3.1 | 4.5 | 2.5 | 3.6 | 5.2 |
| Atlanta-Athens-Clarke County-Sandy Springs | 2.5 | 2.4 | 2.3 | 2.6 | 3.4 | 3.0 |
| Dallas-Fort Worth | 3.1 | 3.1 | 3.5 | 2.4 | 3.0 | 4.3 |
| Houston-The Woodlands | 2.2 | 1.7 | 2.3 | 2.2 | 2.1 | 2.7 |
| Miami-Fort Lauderdale-Port St. Lucie | 1.5 | 2.4 | 4.1 | 1.6 | 2.9 | 4.7 |
| Washington-Baltimore-Arlington | 3.6 | 3.7 | 4.2 | 3.9 | 4.3 | 4.7 |
| Midwest | 2.4 | 3.1 | 3.8 | 2.7 | 3.3 | 4.1 |
| Chicago-Naperville | 2.4 | 2.7 | 4.0 | 2.8 | 3.0 | 4.4 |
| Detroit-Warren-Ann Arbor | 2.7 | 2.7 | 2.6 | 3.0 | 2.8 | 2.7 |
| Minneapolis-St. Paul | 1.6 | 2.4 | 3.4 | 2.1 | 2.4 | 3.4 |
| West | 2.8 | 3.6 | 3.9 | 3.1 | 4.1 | 4.3 |
| Los Angeles-Long Beach | 2.7 | 4.5 | 5.5 | 3.1 | 5.4 | 6.5 |
| Phoenix-Mesa-Scottsdale | 3.3 | 3.7 | 4.6 | 3.8 | 3.5 | 4.4 |
| San Jose-San Francisco-Oakland | 3.5 | 3.1 | 3.0 | 4.0 | 3.4 | 3.3 |
| Seattle-Tacoma | 2.6 | 2.1 | 5.2 | 3.6 | 2.4 | 2.5 |